

**SENATE APPROPRIATIONS SUBCOMMITTEE HEARING
TUESDAY, MARCH 18, 2003
3:00 P.M.
ROOM 201, FARNUM BUILDING
REMARKS OF CHIEF JUSTICE MAURA D. CORRIGAN**

GOOD AFTERNOON. THANKS FOR THE OPPORTUNITY TO SPEAK ABOUT THE JUDICIAL BRANCH'S BUDGET REQUEST. WITH ME IS CHIEF JUDGE BILL WHITBECK OF THE COURT OF APPEALS, WHO WILL BE SPEAKING TO YOU LATER.

I HAVE A FEW COMMENTS, AND THEN I WILL BE GLAD TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.

FIRST, LET ME PUT OUR BUDGET REQUEST INTO THE CONTEXT OF RECENT HISTORY. WE HAVE BEEN MAKING EFFORTS TO STREAMLINE OUR OPERATIONS AND CUT OUR COSTS, MINDFUL OF THE FOCUS ON DELIVERING SERVICES TO THE PEOPLE OF MICHIGAN.

IF WE COMPARE OUR FISCAL YEAR 2001 APPROPRIATION WITH THE RECOMMENDATION FOR FY 2004, YOU'LL SEE THAT OUR OPERATING BUDGET IS DOWN BY ALMOST 9 PERCENT. ALTHOUGH WE ARE A SEPARATE BRANCH, WE ARE A SMALL OPERATION IN STATE GOVERNMENT. WE DO NOT HAVE PROGRAMS TO CUT. THERE HAS BEEN A GENERAL FUND REDUCTION OF OVER \$1.0 MILLION IN SUPREME COURT ADMINISTRATION ALONE. THE OVERALL REDUCTION IN OUR OPERATING BUDGET IS OVER \$4 MILLION. WE HAVE 70 FEWER EMPLOYEES NOW THAN IN FY 2001. ON SEPTEMBER 30 OF 2000, 529 PAYCHECKS WENT TO 529 EMPLOYEES COVERED BY OUR JUDICIAL BRANCH BUDGET. LAST WEEK, 459 PAYCHECKS WENT OUT TO 459 EMPLOYEES OF JUDICIAL BRANCH AGENCIES. SOME EMPLOYEES WE LOST TO ATTRITION, OTHERS TO LAYOFFS, AND OTHERS TO EARLY RETIREMENTS. WE HAVE BEEN IN AN ONGOING COST-REDUCTION AND STAFF-REDUCTION MODE SINCE FY 2001.

OBVIOUSLY, WE ALREADY ARE IN REDUCED CIRCUMSTANCES. AS YOU KNOW, THE JUDICIAL BRANCH TOOK A \$2.3 MILLION NEGATIVE SUPPLEMENTAL IN DECEMBER 2002. THIS AMOUNT WILL BE CARRIED FORWARD.

IN ADDITION, DMB ASKED THE JUDICIAL BRANCH TO TAKE A \$13.7 MILLION REDUCTION – A REDUCTION OF 15 PERCENT FROM CURRENT LEVELS – TO THE GENERAL FUND APPROPRIATION FOR FY 2004.

THE QUESTION, OBVIOUSLY, IS HOW TO ACCOMPLISH THIS TASK WITHOUT HARMING PUBLIC SERVICES.

WE FOUND A WAY THAT, WE BELIEVE, WILL BENEFIT THE STATE OVERALL. THE REVENUE PROPOSALS BEFORE YOU ARE NOT UNIQUE TO MICHIGAN; INDEED, WE TOOK INSPIRATION FROM OTHER STATES THAT ARE LOOKING TO ADDRESS BUDGET PRESSURES IN SIMILAR WAYS.

THERE ARE TWO MAIN PROPOSALS, ONE BORROWED FROM OREGON. THERE IT'S CALLED THE UNITARY ASSESSMENT. OUR SECOND PROPOSAL TO SHRINK GENERAL FUND RELIANCE IS FILING FEE INCREASES.

I WON'T REPEAT THE PRINTED INFORMATION YOU HAVE, BUT I DO WANT TO EMPHASIZE A FEW POINTS. I WOULD ADD THAT THESE PROPOSALS ARE TO SOME EXTENT WORKS IN PROGRESS, AND ARE GOING TO BE MODIFIED BASED ON THE FEEDBACK THAT WE RECEIVE. OBVIOUSLY, IN ORDER FOR THESE PROPOSALS TO BE IMPLEMENTED, LEGISLATION WILL HAVE TO BE INTRODUCED OR AMENDED, SO THERE'S PLENTY OF WORK TO BE DONE.

RIGHT NOW, OUR SYSTEM OF ASSESSMENTS AND COSTS IN CRIMINAL CASES IS VERY CUMBERSOME TO ADMINISTER. CURRENTLY, FOR CIVIL INFRACTIONS, LOCAL COURTS MUST CHARGE AND REMIT TO THE STATE FOUR DIFFERENT ASSESSMENTS AMOUNTING TO \$25. THEY MUST ALSO REMIT THE FIRST \$9 OF COURT COSTS. THE AMOUNT REMITTED MUST IN TURN BE ALLOCATED TO EIGHT DIFFERENT CATEGORIES. FOR MISDEMEANORS, THE FIRST \$9 OF COSTS IS REMITTED TO THE STATE AND ALLOCATED TO FOUR DIFFERENT CATEGORIES; DEPENDING ON THE NATURE OF THE CRIME, THERE MAY BE COSTS IMPOSED FOR TWO OTHER FUNDS. FELONIES CAN ALSO BE ASSESSED COSTS AUTHORIZED BY THE LEGISLATURE.

OBVIOUSLY, ADMINISTERING SUCH A COMPLEX SYSTEM AND TAKING IN REVENUE TO OFFSET STATE COSTS ASSOCIATED WITH CRIME IS OFTEN FRAUGHT WITH PROBLEMS.

OUR PROPOSAL WOULD CONSOLIDATE THESE VARIOUS COSTS AND ASSESSMENTS AND THEN ALLOCATE THEM TO DESIGNATED PROGRAMS BASED ON A STATUTORY FORMULA. THE MATERIALS YOU HAVE BEFORE YOU EXPLAIN IN DETAIL HOW THIS WOULD WORK. THE RESULT, WE BELIEVE, WILL BE TO SIMPLIFY ASSESSMENTS AND COLLECTIONS, PRESERVE FUNDING FOR ALL THE CURRENT RECIPIENTS, AND ULTIMATELY INCREASE THE AMOUNTS AVAILABLE TO EACH DESIGNATED RECIPIENT.

MOREOVER, LOCAL TRIAL COURTS WOULD HAVE THE OPTION TO CONTINUE CHARGING THE \$9 OF COURT COSTS THAT CURRENTLY GO TO THE STATE, WITH THE DIFFERENCE THAT THIS \$9 WOULD GO TO LOCAL GOVERNMENTS INSTEAD. WE PROJECT THAT THESE CHANGES COULD INCREASE LOCAL REVENUES BY UP TO \$9.1 MILLION IN THE FIRST YEAR OF

IMPLEMENTATION, UP TO \$13.3 MILLION IN THE SECOND YEAR, AND UP TO \$17.1 MILLION IN THE THIRD YEAR.

WE ALSO PROPOSE INCREASES IN CIVIL FILING FEES IN THE TRIAL AND APPELLATE COURTS. AGAIN, A LITTLE BACKGROUND IS HELPFUL.

CIVIL FILING FEES WERE LAST INCREASED IN 1997, WHEN THE FEE FOR FILING A CIVIL ACTION IN CIRCUIT COURT BECAME \$100. THAT AMOUNT REPRESENTED A 100 PERCENT INCREASE, IN \$10 INCREMENTS PER YEAR FOR FIVE YEARS, OVER THE PRIOR FILING FEE OF \$50. SINCE 1997, NUMEROUS FACTORS ASSOCIATED WITH THE COST OF PROCESSING A COURT CASE HAVE GONE UP. RENTS AND UTILITIES HAVE GONE UP. SALARIES AND BENEFITS FOR JUDGES AND COURT STAFF COST MORE THAN THEY DID IN 1997. SUPPLIES COST MORE. IT WOULD BE EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO STATE PRECISELY HOW MUCH THE AVERAGE CIVIL COURT CASE COSTS MICHIGAN TAXPAYERS TODAY AND HOW MUCH THE SAME CASE WOULD COST TO PROCESS IN 1997. BUT I AM CERTAIN OUR PROPOSED \$50 INCREASE IN THE FILING FEES DOES NOT BEGIN TO COVER THE ACTUAL COSTS OF PROCESSING A CIVIL CASE.

THESE INCREASES WOULD BY NO MEANS PUT MICHIGAN AT THE TOP FOR FILING FEES NATIONALLY. OUR INFORMAL REVIEW INDICATES THAT AN INCREASE TO \$150 WOULD PUT MICHIGAN IN THE UPPER HALF OF THE STATES, BUT CERTAINLY NOT AT THE TOP. FOR EXAMPLE, OUR NEAR NEIGHBORS, WISCONSIN AND ILLINOIS, BOTH CHARGE MORE – \$214 AND \$198 RESPECTIVELY. CALIFORNIA CHARGES \$256.50 TO FILE A CIVIL CASE.

IF YOU ARE WORRIED ABOUT ACCESS TO JUSTICE, LET ME REMIND YOU THAT, UNDER OUR COURT RULES, FEES AND COSTS ARE WAIVED FOR INDIGENT PEOPLE WHO ARE ON PUBLIC ASSISTANCE. THE COURT MAY IN ITS DISCRETION WAIVE FEES FOR OTHER INDIGENT PERSONS. THIS REVENUE PROPOSAL DOES NOT CHANGE THAT. IT WILL NOT STAND BETWEEN THE POOR AND THEIR ACCESS TO OUR JUSTICE SYSTEM.

IN ALL, THESE RESTRICTED REVENUE INCREASES WILL REPLACE \$11.2 MILLION OF CURRENT GENERAL FUND AND REPLACE \$8.6 MILLION OF COURT EQUITY GENERAL FUND DOLLARS WITH RESTRICTED REVENUES, IN KEEPING WITH THE GOVERNOR'S BUDGET MESSAGE. YOU ARE NO DOUBT AWARE THAT GOVERNOR GRANHOLM INCORPORATED OUR REVENUE PROPOSALS INTO HER BUDGET RECOMMENDATION.

I WILL BRIEFLY TOUCH ON SOME OTHER ASPECTS OF OUR BUDGET PROPOSAL BEFORE TAKING YOUR QUESTIONS.

FIRST, OUR PROPOSED BUDGET, INCLUDING OUR REVENUE PROPOSALS,

WOULD MAKE MORE MONEY AVAILABLE FOR DRUG TREATMENT COURTS. I AM PARTICULARLY PLEASED WITH THIS SINCE I CHAIR THE PROBLEM-SOLVING COURTS COMMITTEE OF THE NATIONAL CONFERENCE OF CHIEF JUSTICES, AND WE SEE GREAT VALUE IN THE DRUG TREATMENT COURTS AND OTHER THERAPEUTIC COURTS.

YOUR MATERIALS INCLUDE A LIST OF THE 27 DRUG COURTS CURRENTLY RECEIVING STATE FUNDING. MICHIGAN HAS 24 OPERATIONAL DRUG COURTS AND 17 MORE ARE PLANNED, NOT ALL OF WHICH RECEIVE STATE FUNDS. WITH THE ADDITIONAL FUNDING, WE HOPE THAT ALL OF THE COURTS IN THE PLANNING STAGE WILL BECOME OPERATIONAL, AND WE WILL BE ABLE TO EXPAND THE CURRENT COURTS.

SECOND, I DRAW YOUR ATTENTION TO THE REQUEST FOR INCREASED FUNDING OF THE JUDICIAL TECHNOLOGY IMPROVEMENT FUND. IN 2002 AND IN THE EARLY WEEKS OF 2003, JTIF RESULTED IN COURTS IN 22 COUNTIES BEING CONNECTED TO THE STATE POLICE CRIMINAL JUSTICE INFORMATION CENTER.

THE CONNECTIVITY ENABLES IMMEDIATE UPDATES TO THE CRIMINAL HISTORY RECORD SYSTEM. IN THE PAST, THE MAJORITY OF SUBMISSIONS WERE BATCHED OR SUBMITTED ON PAPER. THIS IS A BIG STEP FORWARD FOR LAW ENFORCEMENT. OUR GOAL IS TO CONNECT THE COURTS IN ALL 83 COUNTIES TO THE CJIC. THIS HAS BEEN A CHALLENGE BECAUSE, AS YOU KNOW, A NUMBER OF COURTS HAVE NOT HAD EVEN THE MOST BASIC COMPUTER EQUIPMENT. THANKS TO THE FUND, WE ARE BRINGING OUR JUSTICE SYSTEM FROM THE 19TH INTO THE 21ST CENTURY, AND PAGE SIX OF YOUR MATERIALS EXPLAINS HOW.

FINALLY, I WANT TO GIVE YOU A BRIEF UPDATE ON THE PROGRESS OF THE CHILD SUPPORT ENFORCEMENT SYSTEM. WHEN I WAS BEFORE THIS SUBCOMMITTEE LAST YEAR, I TOLD YOU THAT 82 MICHIGAN COUNTIES HAD SUCCESSFULLY CONVERTED TO THE STATE SYSTEM - MISCES, AS OF SEPTEMBER 30, 2001. WAYNE COUNTY HAD A SEPARATE, INNOVATIVE SYSTEM THAT THE FEDERAL CERTIFIERS APPROVE OF AS A PROTOTYPE FOR A NATIONAL MODEL.

THE JOB OF CERTIFICATION IS NOT YET OVER. THE FEDERAL REVIEWERS REQUIRE THAT ALL 83 COUNTIES MUST NOW CONVERT TO VERSION 2.4 OF THE SYSTEM BY SEPTEMBER 30, 2003, OR FACE \$150 MILLION IN ADDITIONAL PENALTIES. IF WE MEET THE SEPTEMBER 30TH GOAL, WE WILL RECEIVE AN APPROXIMATELY \$39 MILLION PENALTY REFUND. A NECESSARY STEP TO CONVERSION WAS TO HAVE EACH COUNTY SIGN A MEMORANDUM OF UNDERSTANDING DETAILING THE WORK TO BE DONE AND SIGNIFYING THE COUNTY'S COMMITMENT TO THE PROJECT. I AM HAPPY TO REPORT THAT, AS OF LAST WEEK, ALL 83 COUNTIES HAD SIGNED THE MEMORANDUM OF UNDERSTANDING, AND THE CONVERSION PROCESS IS PROCEEDING ACCORDING

TO SCHEDULE. THIS WOULD BE HEARTENING NEWS AT ANY TIME, BUT I
THOUGHT YOU WOULD BE PARTICULARLY GLAD TO HEAR IT AT A TIME WHEN
MICHIGAN CAN ILL AFFORD TO SUFFER FEDERAL PENALTIES.

THANK YOU AGAIN FOR GIVING ME THE OPPORTUNITY TO ADDRESS YOU.
I WILL BE HAPPY TO TAKE YOUR QUESTIONS.
